

# Fiscal Year 2024 Investor Webcast

November 14, 2024

---

# Introduction



**Tom Rice**  
**Senior Vice President,**  
**Finance**

# Agenda

## Fiscal Year 2024 Review

- Jeff Lyash, President & Chief Executive Officer

## Review of Financial Performance

- John Thomas, Executive Vice President & Chief Financial and Strategy Officer

## Question and Answer Session

## Closing Remarks

---

# “Safe Harbor” Statement

This document contains forward-looking statements relating to future events and future performance. All statements other than those that are purely historical may be forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as “may,” “will,” “should,” “expect,” “anticipate,” “believe,” “intend,” “project,” “plan,” “predict,” “assume,” “forecast,” “estimate,” “objective,” “possible,” “probably,” “likely,” “potential,” “speculate,” the negative of such words, or other similar expressions. Although TVA believes that the assumptions underlying the forward-looking statements are reasonable, TVA does not guarantee the accuracy of these statements. Numerous factors could cause actual results to differ materially from those in the forward-looking statements. For a discussion of these factors, please see the annual, quarterly, and periodic reports that TVA files with the Securities and Exchange Commission. New factors emerge from time to time, and it is not possible for management to predict all such factors or to assess the extent to which any factor or combination of factors may impact TVA’s business or cause results to differ materially from those contained in any forward-looking statement. TVA undertakes no obligation to update any forward-looking statement to reflect developments that occur after the statement is made.

This presentation is intended to provide highlighted information of interest about TVA’s business and operations during its fiscal year ended Sept. 30, 2024. This presentation should be read in conjunction with TVA’s Form 10-K Annual Report for the year ended Sept. 30, 2024, filed with the Securities and Exchange Commission.

---

# Fiscal Year 2024 Review



**Jeff Lyash**  
**President &**  
**Chief Executive Officer**

# TVA Mission

BUILT FOR THE PEOPLE OF THE UNITED STATES OF AMERICA

## ENERGY

Electricity at the lowest feasible rate and highest feasible reliability

## ENVIRONMENT

Stewardship of the natural resources for best use by the public

## ECONOMIC DEVELOPMENT

To attract and retain good jobs and capital investment in the Valley



1933

TVA ACT  
SIGNED

1940s

HYDRO

1950s

FOSSIL

1960s

NUCLEAR

1970s

PUMPED  
STORAGE &  
GAS

2020+

TVA'S ENERGY SYSTEM OF THE FUTURE

Since its inception, TVA has innovated to meet the needs of the Valley.

Today and in the future, the Valley needs **affordable, reliable, resilient, and carbon-free energy** to lead the nation in energy innovation.



INNOVATING FOR THE PEOPLE OF THE VALLEY

# Hurricane Helene

**TVA** Tennessee Valley Authority  @TVAnews · Sep 27

Over 30,000 cubic feet per second of water flows over Nolichucky Dam near Greeneville, TN. The dam is operating as designed to allow water to flow over the top. Because of heavy rainfall from [#Helene](#), river and lake levels are rising rapidly.



0:08

60 1.1K 4K 668K

**TVA** Tennessee Valley Authority  @TVAnews

Hurricane Helene devastated communities across our region, and we will continue to provide support in any way we can. TVA CEO Jeff Lyash was in East Tennessee communities today, where he met with leaders of the Newport Utilities and Greeneville Energy Authority. Jeff saw firsthand the devastation from [#Helene](#) and the ongoing safety work at Nolichucky Dam and provided an update to [@RepHarshbarger](#).



7:19 PM · Oct 2, 2024 · 7,144 Views

# Strategic Priorities



## People Advantage

Amplifying the energy, passion, and creativity within us all.



## Operational Excellence

Building on our best-in-class reputation for reliable service and competitively priced power.



## Financial Strength

Investing in the future while keeping energy costs as low as possible.



## Powerful Partnerships

Promoting progress through the shared success of our customers and stakeholders.



## Igniting Innovation

Pursuing innovative solutions for TVA and our customers and communities.

# Core Values



## Safety

We are uncompromising in our commitment to the safety and well-being of our teammates and the communities we serve.



## Integrity

We are honest and straightforward— always doing the right thing with integrity.



## Inclusion

We treat everyone with dignity and respect— emphasizing inclusion by welcoming each person's individuality so we can reach our potential.



## Service

We are proud to be of service in the communities in which we live, work, and play.



# Powerful Partnerships

*Promoting progress through the shared success of our customers and stakeholders*



Providing affordable, reliable power

97% of LPCs on 20-year agreements

78% of revenues

\$979 million partner credits over 5 years

Supporting federal funding opportunities

Top Utility for Economic Development

# People Advantage

*Amplifying the energy, passion, and creativity within each TVA employee*



Best safety record in TVA history (2024)

Named to Forbes' 2024 list - America's Best Employer

Approximately 11,300 employees

Approximately 57% of employees represented by unions

17 unions represent employees and contractors

# Operational Excellence

*Building on our best-in-class reputation for reliable service and competitively priced power*



Meeting extreme weather power demand

More than half of power from carbon-free sources FY24

Investing in resiliency and capacity

58% carbon emissions and 53% intensity reduction\*

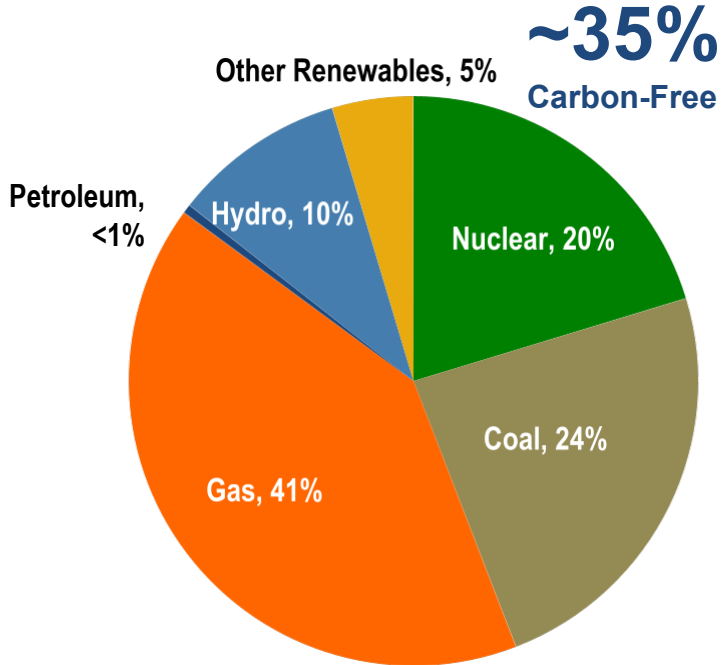
\$350 million commitment for New Nuclear Program



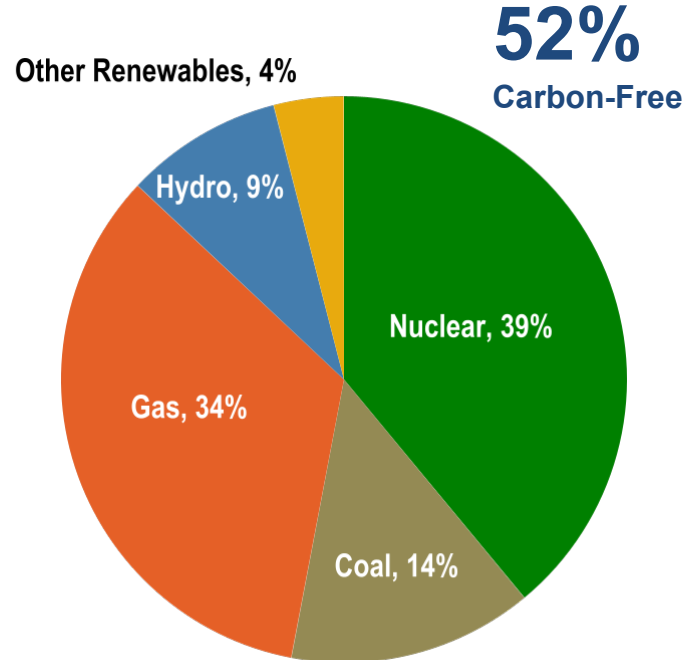
\*CO2 emissions are reported on a CY basis. Reduction is from 2005 levels.

# Operational Excellence: Diverse Power System

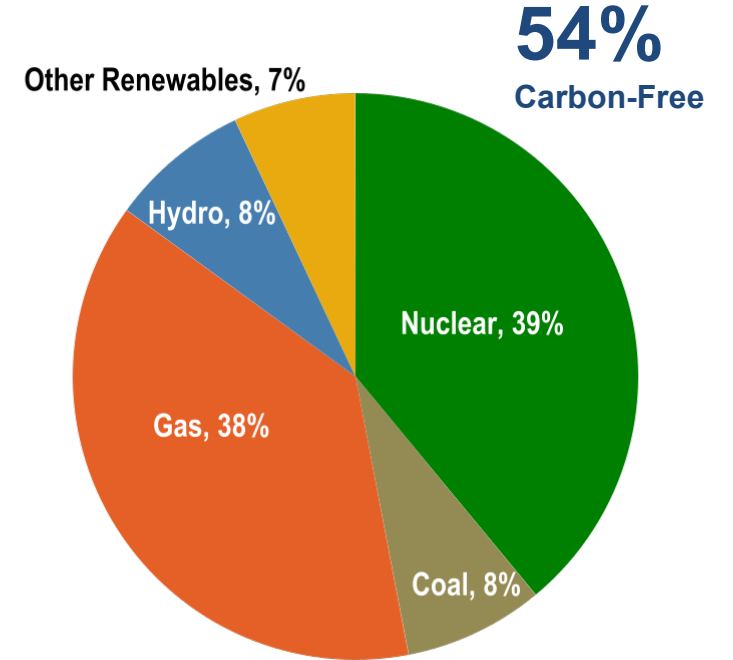
## National Average



## TVA Total Power Supply FY2024



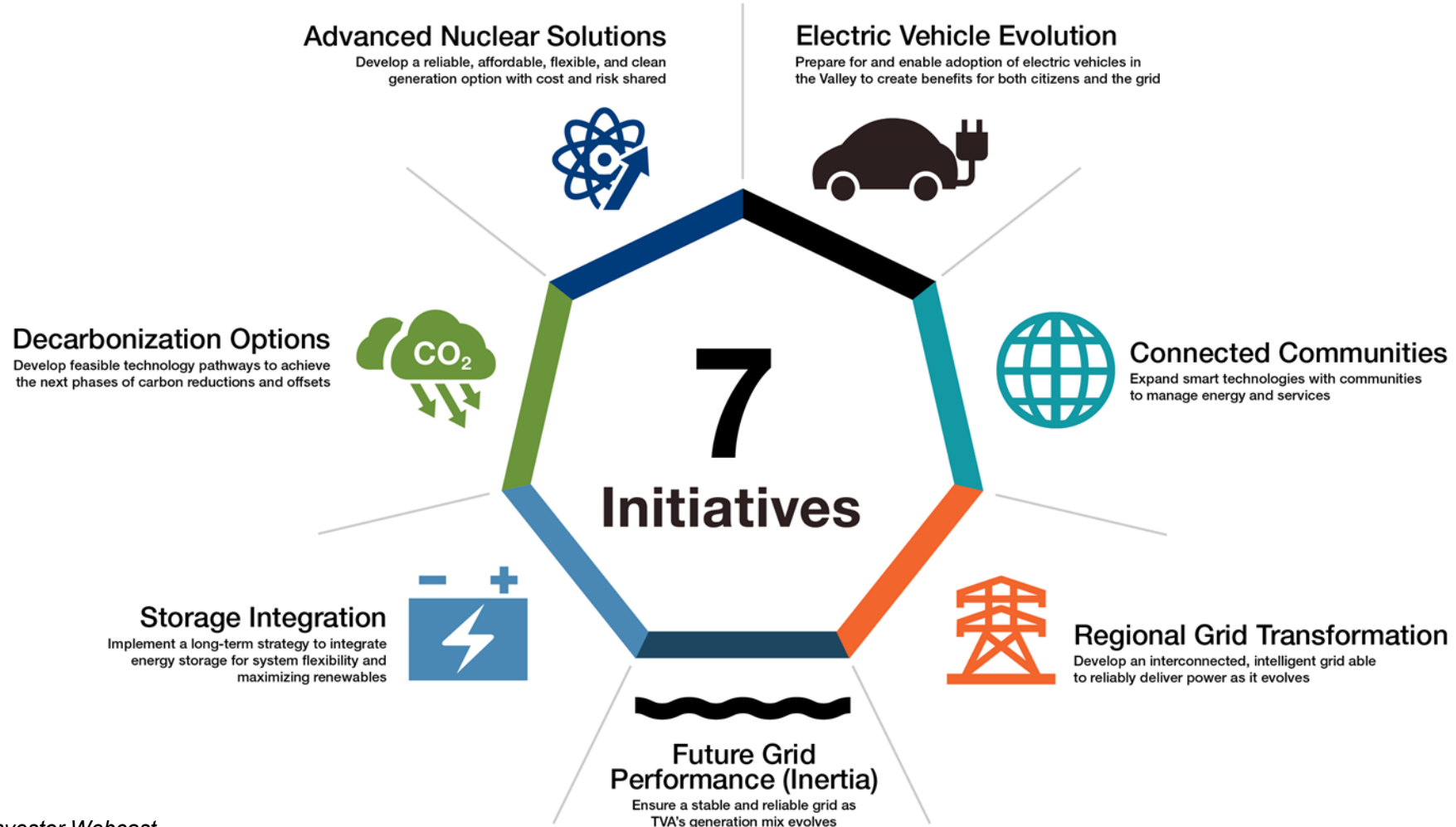
## TVA Forecasted Power Supply FY2030



Note: Chart depicts both generated and purchased power within respective resource types. For additional information, please see Total Power Supply by Generating Source in TVA's Annual Report on Form 10-K. Forecasted Power Supply is based on the FY25 Budget. National average data from U.S. EIA Electric Power Annual Report (2023).

# Igniting Innovation - Transformative Technologies

*Pursuing innovation solutions for TVA and our customers and communities*



# Draft 2025 Integrated Resource Plan



- A collaborative, external stakeholder-focused effort, working with a variety of organizations.
- A risk-informed study that assesses a wide range of potential futures.
- Provides the basis for TVA's asset strategy, including a recommended target power supply mix.

---

# Review of Financial Performance



**John Thomas**  
**Executive Vice President &**  
**Chief Financial and**  
**Strategy Officer**

---

# Summary of Financial Results

*For Twelve Months Ended September 30, 2024 - Comparison to Prior Year*

## Lower effective power rate

*Benefiting from system diversity and lower fuel and purchased power costs*

## Higher base rate offset by lower fuel rate

*Higher effective base rates and higher sales volume*

*Offset by a 16% decrease in fuel cost recovery revenues*

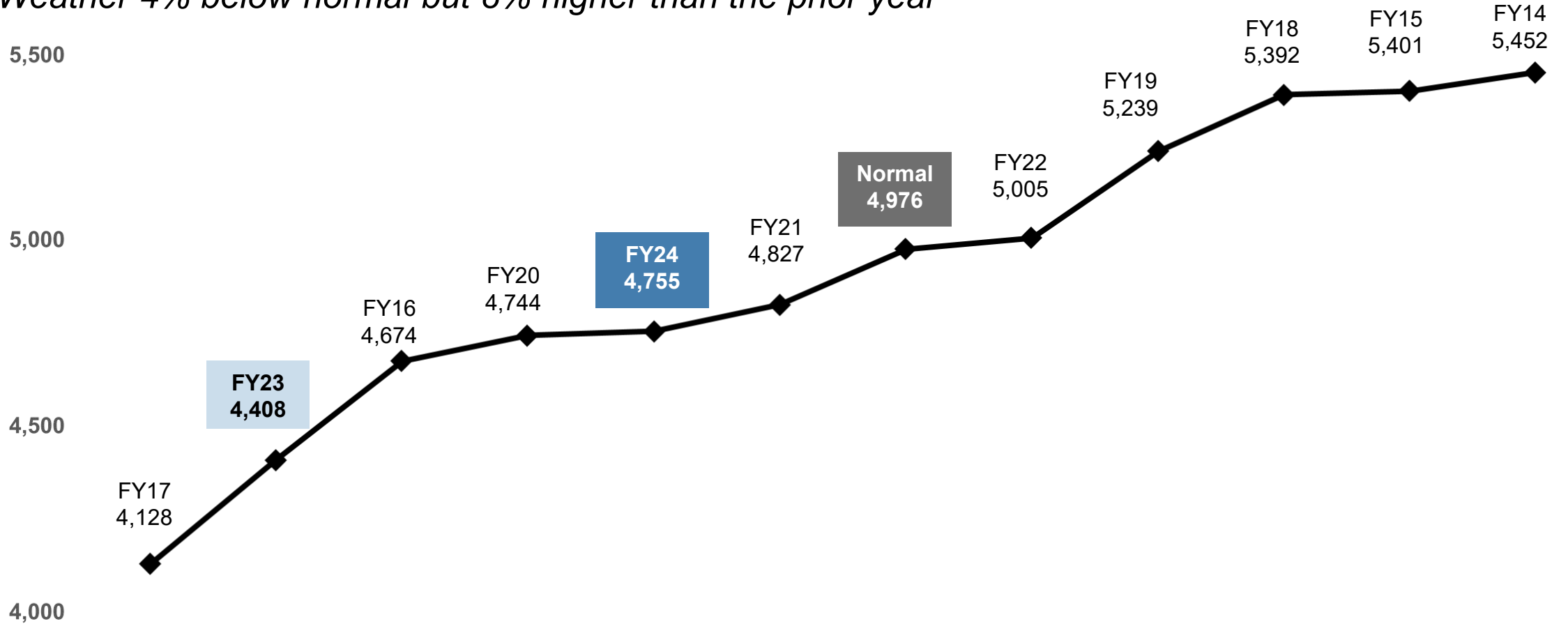
## Higher Net Income

*Mainly due to higher base revenue and lower fuel and purchased power expense*



# Total Degree Days below Normal

*Weather 4% below normal but 8% higher than the prior year*



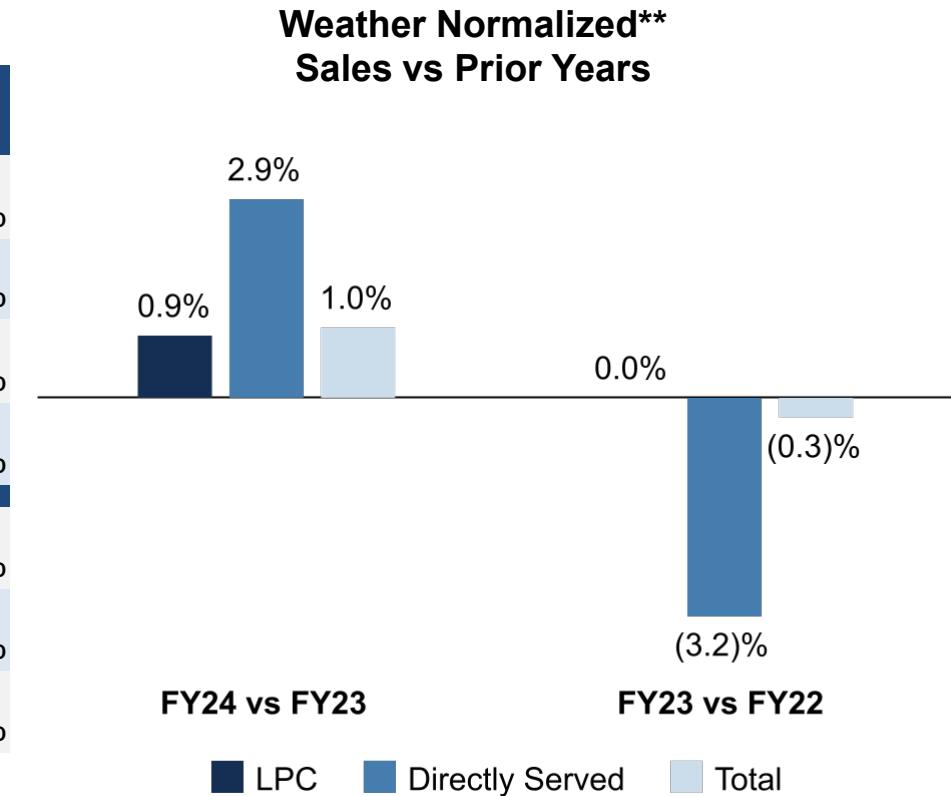
FY16 - FY17 data has been adjusted in order to incorporate a change in TVA's current calculation of total degree days. FY24 Normal adjusted for leap year.

# Sales & Revenue

Twelve Months Ended September 30	2024	2023	Change	Percent Change
Power Sales (GWh)	162,933	157,311	5,622	3.6 %
Total Operating Revenues (\$ millions)	\$12,314	\$12,054	\$260	2.2 %
Base Revenue	8,725	7,863	862	11.0 %
Fuel Cost Recovery	3,398	4,025	(627)	(15.6)%
Average Base Rate (¢/kWh)	5.35	5.01	0.34	6.8 %
Average Fuel Rate	2.09	2.57	(0.48)	(18.7)%
Total Effective Rate*	7.44	7.58	(0.14)	(1.8)%

Calculations may be impacted by rounding

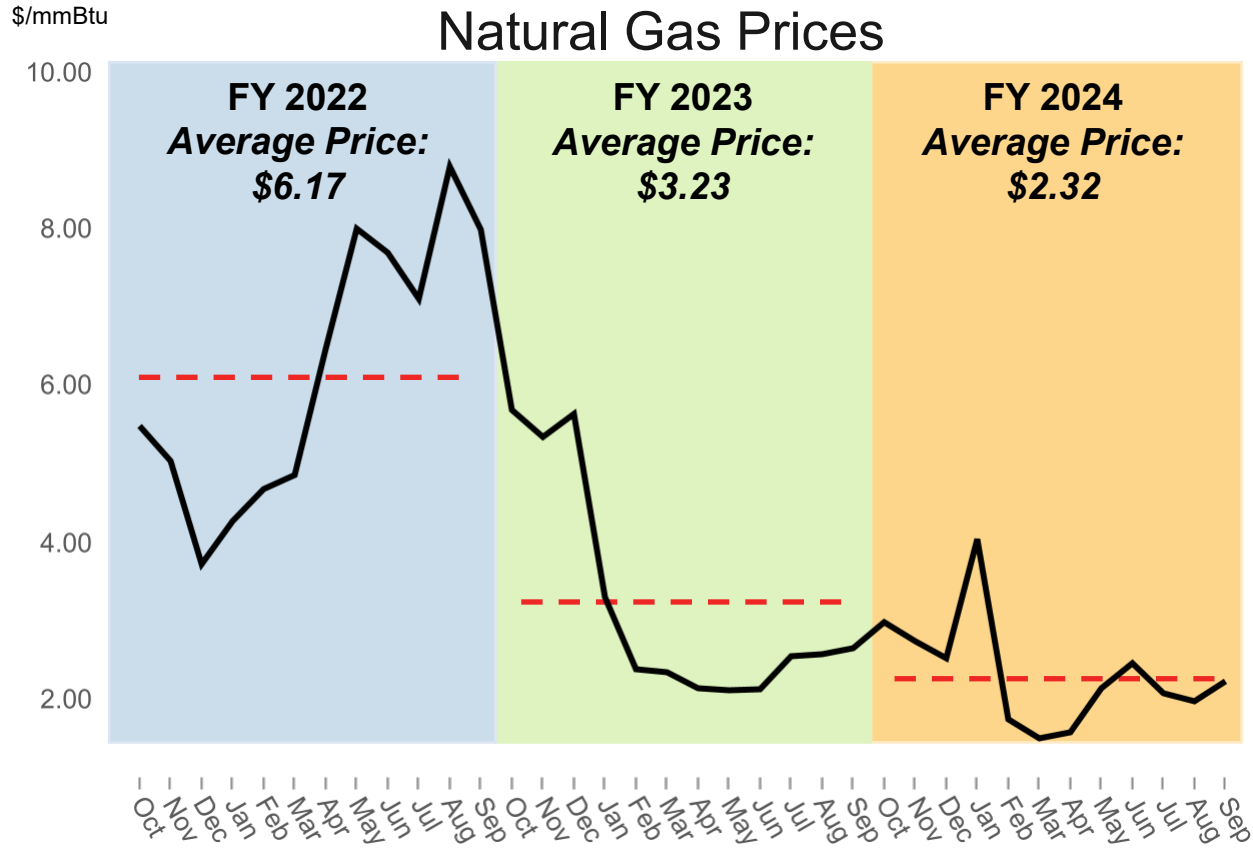
\* Excludes other revenue and off-system sales impact; total effective rate numbers based on unrounded base and fuel rates



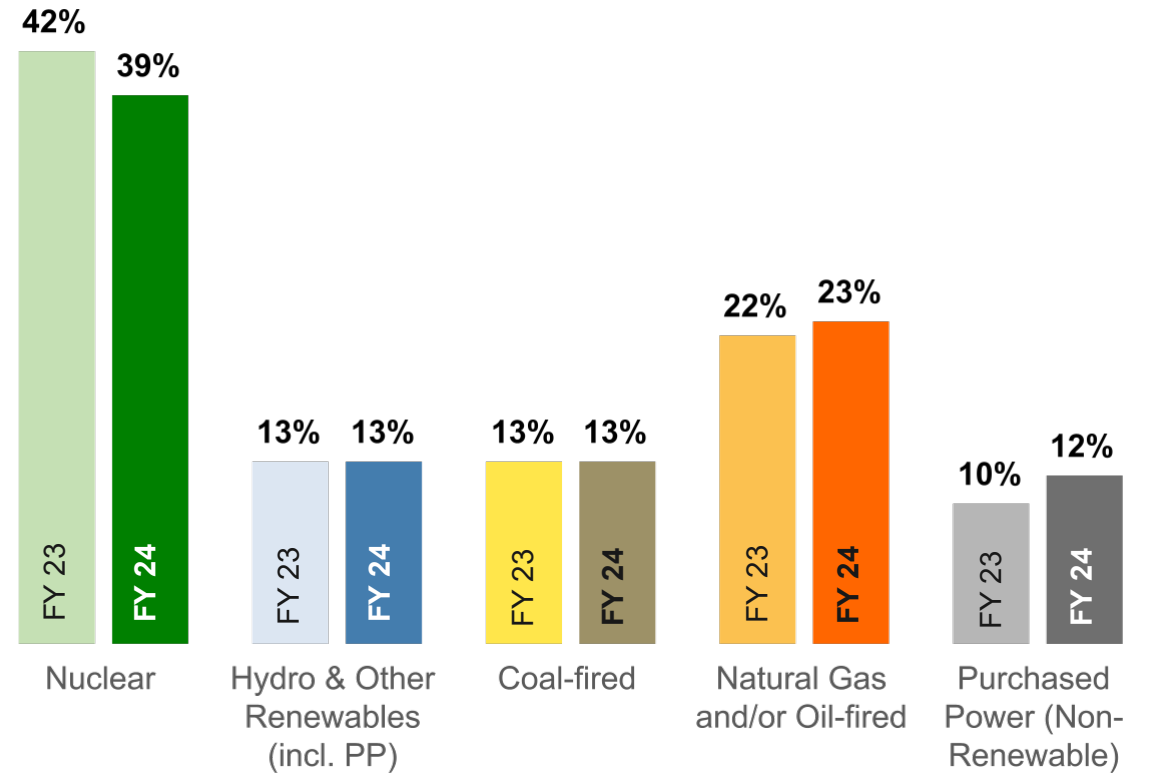
\*\*See Appendix - Regulation G Reconciliation

# Power Supply Summary – FY 2024

*Benefiting from a diverse power system - 52% of power from nuclear, hydroelectric, other renewables in 2024*



## Power Supply by Source



Source: Henry Hub Historical Prices

# Expenses & Net Income

Twelve Months Ended September 30	2024	2023	Change	Percent Change
Total Operating Revenues (\$ millions)	\$12,314	\$12,054	\$260	2.2 %
Base Revenue	8,725	7,863	862	11.0 %
Fuel Cost Recovery	3,398	4,025	(627)	(15.6)%
Fuel & Purchased Power Expense	3,750	4,182	(432)	(10.3)%
Operating & Maintenance Expense	3,641	3,372	269	8.0 %
Depreciation & Amortization	2,138	2,213	(75)	(3.4)%
Tax Equivalents	557	593	(36)	(6.1)%
Interest Expense	1,066	1,056	10	0.9 %
Net Income*	\$1,135	\$500	\$635	127.0 %

\* Net income includes Other income (expense), net and Other net periodic benefit cost

# Cash Flow & Balance Sheet Metrics

## Twelve Months Ended September 30

Net Cash Provided by / (Used in) (\$ millions)	2024	2023	Change
Operating Activities	\$3,003	\$2,872	\$131
Investing Activities	(3,591)	(2,994)	(597)
Financing Activities	590	123	467

## Select Balance Sheet Metrics<sup>(1)</sup> (\$ millions)

	Sept. 30 2024	Sept. 30 2023	Change
Total Debt and Other Financing Obligations	\$21,203	\$20,525	\$678
Cash and Cash Equivalents	502	501	1
Total Debt and Other Financing Obligations Net of Cash and Cash Equivalents	20,701	20,024	677

(1) See Appendix - Regulation G Reconciliation

---

# Recap of Financial Results

*For Twelve Months Ended September 30, 2024 - Comparison to Prior Year*

Lower effective power rate for customers

Lower fuel and purchased power costs offsetting base rate increase

Higher sales due to weather and industrial growth

Capital plan on track - lower debt than plan due to timing

# Question & Answer Session



**TVA**

**TENNESSEE  
VALLEY  
AUTHORITY**



# Appendix – Regulation G Reconciliation

	September 30, 2024	September 30, 2023	
<b>Total Outstanding Debt</b>	<b>\$20,990</b>	<b>\$20,266</b>	
Exchange Gain - LT	62	109	
Unamortized Discounts, Premiums, Issue Costs and Other	134	132	
Debt of Variable Interest Entities	(939)	(974)	
<b>Bonds and Notes, Gross</b>	<b>\$20,247</b>	<b>\$19,533</b>	
Membership Interests of Variable Interest Entity Subject to Mandatory Redemption	17	18	
Debt of Variable Interest Entities	939	974	
<b>Total Debt and Other Financing Obligations, Gross ("TFO")</b>	<b>\$21,203</b>	<b>\$20,525</b>	
<b>TVA Weather-Normalized Sales* (millions of kWh)</b>	<b>FY24</b>	<b>FY23</b>	<b>FY22</b>
Normalized Total LPC Power Sales	141,353	140,117	140,060
Normalized Total Directly Served	** 19,452	18,905	19,520
Total Normalized Weather Adjustment	<b>162,933</b>	<b>161,253</b>	<b>161,764</b>

\***TVA Weather-Normalized Sales:** TVA's expected power sales for a period based on normal weather. Normal weather estimates are based on long-term typical values of a meteorological parameter (i.e., temperature) for the Tennessee Valley region. Actual sales, as reported, differ from Weather-Normalized Sales based on the difference in actual weather from normal weather over the same time period.

\*\*Data adjusted to scale February to 28 days

Note numbers may be adjusted for rounding